



GAIL FARBER, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

March 12, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

30 March 12, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

AWARD OF A PUBLIC WORKS CONSTRUCTION CONTRACT MULHOLLAND HIGHWAY AND NEWTON CANYON ROAD, ET AL. IN THE UNINCORPORATED COMMUNITY OF AGOURA (SUPERVISORIAL DISTRICT 3) (3 VOTES)

SUBJECT

This action is to relieve the low bidder, Y & M Construction, Inc., from its bid and award a public works construction contract to Shimmick Construction Company, Inc., the apparent lowest responsive and responsible bidder for the Mulholland Highway and Newton Canyon Road, et al., project in the unincorporated community of Agoura.

IT IS RECOMMENDED THAT THE BOARD:

1. Relieve the low bidder, Y & M Construction, Inc., from its bid as provided in Section 5101(a) of the State Public Contract Code because of a clerical mistake in its bid documents.
2. Award and authorize the Director of Public Works or her designee to execute a construction contract and establish the effective date following receipt of approved Faithful Performance and Labor and Material Bonds and insurance filed by the contractor for Project ID No. RDC0015500 – Mulholland Highway and Newton Canyon Road, et al., for reconstruction and modification of existing roadway culverts, in the unincorporated community of Agoura, to Shimmick Construction Company, Inc., in the amount of \$575,560.50.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to obtain approval of the project from the Board to

award this construction contract and authorize the Director of Public Works (Director) or her designee to execute the contract and establish the effective contract date following receipt of approved Faithful Performance and Labor and Material Bonds and insurance certificate filed by the contractor for this project.

On November 20, 2012, Agenda Item 25, the Board approved the project; adopted the plans and specifications; called for bids to be received on December 18, 2012; and instructed the Executive Officer of the Board of Supervisors to advertise the project.

On December 18, 2012, eight bids were opened, and the contractor with the lowest bid was Y & M Construction, Inc., in the amount of \$449,412. On December 24, 2012, Y & M Construction, Inc., submitted a letter to the Department of Public Works (Public Works) requesting relief of its bid due to a clerical error resulting in a significant underbid. A review of the documents submitted confirmed a bonafide clerical error, which made Y & M Construction, Inc.'s, bid materially different than it intended to be. Therefore, we recommend that Y & M Construction, Inc., be relieved of its bid as provided in Section 5101(a) of the State Public Contract Code and the contract be awarded to the next lowest bidder, Shimmick Construction Company, Inc.

The enclosure includes the project description, the call for bids and bid opening dates, a tabulation of bids, and financial information. The certified record of receipt of bids and the original bid proposal are also enclosed for this project.

The recommended award of the construction contract is necessary to execute a Board directed and approved Public Works project in support of operational missions. The Board's approval of the recommended contract award and the subsequent execution of the contract will ensure the timely completion of the project.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provisions of Operational Effectiveness (Goal 1) and Integrated Services Delivery (Goal 3). Awarding this contract will provide improved infrastructure to better serve the public and enhance the quality of life in the affected community.

FISCAL IMPACT/FINANCING

These actions will have no impact to the County General Fund.

The construction cost of \$575,560.50, is included in the Third Supervisorial District's Road Construction Program in the Fiscal Year 2012-13 Road Fund Budget.

The enclosure includes the amount of the recommended contract as compared with the engineer's estimate, the other bids received, and more detailed fiscal and financial information.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract agreement will be in the form previously reviewed and approved as to form by County Counsel. The recommended contract was solicited on an open-competitive basis and is in accordance with applicable Federal, State, and County requirements. The contractor is in compliance with the Chief Executive Officer's and the Board's requirements.

The award of this contract will not result in unauthorized disclosure of confidential information and

will be in full compliance with Federal, State, and County regulations. This contract contains terms and conditions supporting the Board's ordinances, policies, and programs including, but not limited to: the County of Los Angeles' (County) Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN and GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; the County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; the County's Defaulted Property Tax Reduction Program Ordinance, Los Angeles County Code, Chapter 2.206; Local Business Enterprise Preference Program, Los Angeles County Code, Chapter 2.204; and the standard Board directed clauses that provide for contract termination or renegotiation.

The State Public Contract Code requires the County to award construction contracts to a responsible contractor with the lowest responsive bid, which is defined as the firm that: (1) submits the bid with the lowest cost; (2) is deemed by the County to be responsive to specific criteria under the solicitation including, but not limited to, licensure, bonding, and insurance requirements; and (3) is determined by the County to be a responsible bidder by exhibiting the capability, capacity, experience, trustworthiness, and financial wherewithal to perform the work required under the bid solicitation.

To ensure the contract is awarded to a responsible contractor with a satisfactory history of performance, bidders are required to report violations of the False Claims Act, criminal convictions, civil litigation, defaulted contracts with the County, complaints filed with the Contractor's State License Board, labor law/payroll violations, and debarment actions. As provided for in Board Policy No. 5.140, the information reported by each respective contractor was considered before making this recommendation to award.

The plans and specifications include the contractual provisions, methods, and material requirements necessary for this project and are on file with Public Works.

ENVIRONMENTAL DOCUMENTATION

On November 20, 2012, Agenda Item 25, the Board found this project to be categorically exempt from the provisions of the California Environmental Quality Act.

CONTRACTING PROCESS

The contract was solicited on an open-competitive basis in accordance with the provisions of the State Public Contract Code.

The State Labor Code requires contractors to pay prevailing wage rates to all persons employed on public works construction contracts. These rates are determined by the Department of Industrial Relations and include contributions for fringe benefits such as vacations, pension funds, training, and health plans for each employee.

To further increase contractor awareness of contracting opportunities with Public Works, this project

was listed on the County website for upcoming bids.

Public Works will review and approve the Faithful Performance and payment bonds filed by the contractor.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This construction contract will result in improved public works infrastructure in the communities where the work is scheduled.

CONCLUSION

Please return one adopted copy of this letter to the Department of Public Works, Construction Division.

Respectfully submitted,

A handwritten signature in black ink that reads "Gail Farber". The script is cursive and fluid.

GAIL FARBER

Director

GF:JTS:ma

Enclosures

c: Chief Executive Office (Rita Robinson)
County Counsel
Executive Office
Internal Services Department (Countywide
Contract Compliance)

AWARD OF CONTRACT
March 12, 2013

PROJECT ID NO. RDC0015500 – Mulholland Highway and Newton Canyon Road, et al.,
(in the unincorporated community of Agoura), Supervisorial District 3

TYPE OF WORK: Reconstruction of roadway culverts.

CALL FOR BIDS DATE: November 20, 2012 (Agenda Item 25)

BID OPENING DATE: December 18, 2012

BID SUMMARY:

Low	Shimmick Construction Company, Inc. 16481 Scientific Way Irvine, California 92618 (949) 333-1500	\$ 575,560.50
2	MG Enterprises, Inc.	\$ 645,675.00
3	Environmental Construction, Inc.	\$ 652,455.56
4	Excel Paving Company	\$ 708,227.00
5	SRD Engineering, Inc.	\$ 814,315.00
6	Blois Construction, Inc.	\$ 863,139.00
7	Mike Bubalo Construction Company, Inc.	\$1,195,422.00

Y & M Construction, Inc., submitted a bid of \$449,412; however it requested relief of its bid due to a clerical error resulting in a significant underbid. Our review confirmed that a bonafide clerical error was made and Y & M Construction, Inc., should be relieved of its bid as provided in the contract documents.

FINANCIAL INFORMATION:

Amount of estimate	\$514,356.00
Amount of recommended contract	\$575,560.50
Amount of recommended contract above estimate	\$ 61,204.50

The amount of recommended contract is 12 percent above the estimate, which was based on recent average contract prices for similar items of work. A review of the estimate indicates, prices of several items did not take into account, the cost of mobilization and traffic control. While the bid price is higher than the estimate, the bids received from the responsive contractors are competitive, and readvertising the project will result in increased contract administration costs and delay construction with no guarantee that lower bids will be received. Therefore, we recommend award of the contract to the low bidder.

The project cost will be partially financed with State Proposition 1B Transportation Bond funds under the Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006. Funding for this project is included in the Third Supervisorial District's Road Construction Program in the Fiscal Year 2012-13 Road Fund Budget.

ENVIRONMENTAL IMPACT:

On November 20, 2012, Agenda Item 25, the Board found this project categorically exempt from the provisions of the California Environmental Quality Act.

CONSTRUCTION SCHEDULE:

The contract specifications require the work to be completed in 60 working days. It is estimated that the work will start in May 2013 and be completed in August 2013.

CM:ma

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